

Chapter I

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Acknowledgements

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A message from Director-General Roberto Azevêdo

At a time of great uncertainty for global trade, the role of trade statistics takes on a renewed significance. Governments need the latest data to take informed decisions and to determine the best direction of trade policy for the benefit of the people they represent. The WTO's data-gathering role plays a big part in meeting this need.

World merchandise trade grew by 3.0 per cent in 2018, slightly exceeding GDP. This was significantly lower than the 4.6 per cent growth recorded in 2017. This loss of momentum is partly due to increasing trade tensions and historically high levels of trade restrictions.

The WTO's latest trade monitoring report confirms that trade-restrictive measures are on the rise. Trade covered by import-restrictive measures recorded in the last trade monitoring report (mid-October 2018 to mid-May 2019) is estimated at US\$ 339.5 billion. This is the second-highest figure on record, after the US\$ 588.3 billion reported in the previous report (mid-October 2017 to mid-October 2018). If trade is to pick up in 2019-20, trade tensions must be resolved.

Trade continues to be concentrated. The ten leading traders in 2018 represented more than half of world trade, with the top five accounting for around 37 per cent of global transactions. Developing economies are playing an increasingly important role in world trade, with significant increases in their rankings among the world's leading exporters and importers. There are also increasing levels of trade between developing economies. In 2018, this represented over 50 per cent of their merchandise exports. However, the merchandise exports of the least-developed countries remained at a meagre US\$ 193 billion, representing less than 1 per cent of world exports.

In nominal terms, high energy prices contributed to growth in merchandise exports in 2018. Exports of fuels and mining products grew by 23 per cent while manufactured goods



and agricultural products grew by 8 per cent and 5 per cent respectively. Overall, merchandise exports grew by 10.0 per cent, down from 10.7 per cent in 2017. In contrast, world trade in commercial services grew by 8 per cent, recording strong growth for the second consecutive year. Goods-related services registered the strongest expansion, at 11 per cent, while the weakest growth was in transport services.

Worldwide networks for the production of goods continue to grow in importance, with developing economies playing an increasing role. Asian economies have become major players in global value chains. Viet Nam and the Philippines have seen growth in GVC participation while for Singapore over 60 per cent of its trade involves exchanges among GVCs.

While this publication sheds light on the latest trends in trade, the increasing use of new technologies and online transactions begs the question as to whether we have the right data to measure these trends. Are existing trade statistics and product classifications up-to-date for quantifying and identifying emerging products and services? As technology has helped to create new business models and products, it is essential that these are sufficiently captured. The WTO is currently working in collaboration with national and international authorities, the private sector, consumers and academia to increase our understanding of this area.

I would like to thank everyone who has worked on this report. We hope it provides useful insights into world trade for WTO members and all those involved in trade analysis.

A handwritten signature in dark ink, reading "Roberto Azevêdo". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Roberto Azevêdo

Director-General